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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER

8- 41477

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2003

AND ENDING December 15, 2003

MM/DD/YY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GOLDEN FINANCIAL SERVICES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

80 EAST PENN STREET

(No. and Street)

LONG BEACH, NY 11561

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

ROBERT GOLDEN

516-889-6933

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PAUL GAYNES

(Name - if individual, state last, first, middle name)

54 SUNNYSIDE BLVD

PLAINVIEW

NY

11803

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)

SEC 1410 (06-02)

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FINANCIAL STATEMENTS  
GOLDEN FINANCIAL SERVICES, INC.  
DECEMBER 15, 2003

INDEX TO THE FINANCIAL STATEMENTS  
OF  
GOLDEN FINANCIAL SERVICES, INC.

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Independent Auditor's Report

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December 15, 2003

Exhibit B      Statement of Income For The Year Ended  
December 15, 2003

Exhibit C      Statement of Cash Flows For the Year Ended  
December 15, 2003

Exhibit D      Statement of Changes in Stockholders' Equity  
For the Year Ended December 15, 2003

Notes to Financial Statements - December 15, 2003

Supplementary Information:

Computation of Net Capital Under Rule 15c3-1 of the Securities  
and Exchange Commission as of December 15, 2002.

**INDEPENDENT AUDITOR'S REPORT**

To the Officers and Directors of  
Golden Financial Services, Inc.

I have audited the accompanying statement of financial condition of Golden Financial Services, Inc. as of December 15, 2003, the related statements of income, statement of changes in stockholders' equity, changes in subordinated borrowings and statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

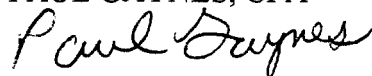
I conducted the audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Golden Financial Services, Inc. as of December 15, 2003 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Supplementary Information Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plainview, NY  
January 22, 2004

PAUL GAYNES, CPA



GOLDEN FINANCIAL SERVICES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 15, 2003

Exhibit A

ASSETS

Current Assets

Cash - Checking account	\$ 10,167
Cash - Money market account	33,916
Accounts receivable	<u>4,387</u>
Total Current Assets	\$ 48,470

INVESTMENTS

Investment in NASDAQ stock and warrants	<u>37,200</u>
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TOTAL ASSETS	<u>\$ 85,670</u>
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LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Taxes payable	<u>1,354</u>
Total Liabilities	\$ 1,354

STOCKHOLDERS' EQUITY

Capital Stock - Without par value:	
(Note 1) Authorized - 200 shares	\$ 12,000
Additional paid in capital	14,800
Retained earnings - Exhibit D	<u>57,516</u>
Total Stockholders' Equity	<u>84,316</u>

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 85,670</u>
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The accompanying notes are an integral part of this statement.

GOLDEN FINANCIAL SERVICES, INC.  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 15, 2003

Exhibit B

INCOME

Broker/dealer commissions	\$ 28,787
Financial planning, insurance and tax preparation	6,619
Interest income - Money market account	<u>186</u>

TOTAL INCOME	\$ 35,592
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EXPENSES

Officer's salary	\$ 9,600
Licenses & fees	1,444
Office expense	1,415
Dues & subscriptions	600
Advertising	591
Telephone	1,260
Rent	4,800
Legal & audit	850
Computer software, hardware & data services	3,400
Insurance	597
NYS franchise tax	100
Payroll taxes	979
Depreciation - (Note 2)	109
Miscellaneous	<u>601</u>

Total Expenses	<u>26,346</u>
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NET INCOME FROM OPERATIONS	\$ 9,246
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DECREASE IN VALUE OF INVESTMENTS	<u>8,900</u>
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NET PROFIT	<u>\$ 346</u>
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The accompanying notes are an integral part of this statement.

GOLDEN FINANCIAL SERVICES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 15, 2003

Exhibit C

CASH FLOWS FROM OPERATING ACTIVITIES

Net income \$ 346

Adjustments to reconcile net income to  
net cash provided by operating activities:

Depreciation \$ 109

Changes in assets & liabilities:

Increase in commissions receivable (1,719)

Increase in accounts payable & taxes payable 567

Loss of value of securities owed 8,900

7,857

Net Cash Provided by Operating Activities \$ 8,203

CASH FLOWS FROM FINANCING ACTIVITIES

Distribution to Sole Stockholder (10,000)

NET DECREASE IN CASH & CASH EQUIVALENTS \$ 1,797

CASH & CASH EQUIVALENTS - JANUARY 1, 2003 45,880

CASH & CASH EQUIVALENTS - DECEMBER 15, 2003 \$ 44,083

The accompanying notes are an integral part of this statement.

GOLDEN FINANCIAL SERVICES, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 15, 2003

Exhibit D

Retained earnings - January 1, 2003	\$ 67,170
Net income for the year ended December 15, 2003	<u>346</u>
	\$ 67,516
Withdrawal by Stockholder	<u>10,000</u>
Retained Earnings – December 15, 2003	<u><u>\$ 57,516</u></u>
Capital Stock - January 1, 2003	\$ 12,000
Additional paid in capital	<u>14,800</u>
Capital December 15, 2002	<u><u>\$ 26,800</u></u>

The accompanying notes are an integral part of this statement.



GOLDEN FINANCIAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 15, 2003

NOTE 1 - ORGANIZATION

The Company was incorporated in the State of New York on July 3, 1986. Two hundred shares of no par common stock were authorized and one hundred twenty shares were issued and remain outstanding at December 15, 2003.

On November 22, 1989, the Company became a member of the NASD and commenced operations as a broker-dealer.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Fixed assets are capitalized at cost. Depreciation of fixed assets is computed on the straight line method over an expected useful life.

No provision for corporate income tax has been made for Federal purposes. The Company elected to be treated as a subchapter-S corporation for both Federal and New York State income tax reporting. As a Subchapter-S corporation, the Company is exempt from Federal income tax as income or loss passes directly to the individual shareholder to be reported by him on his personal income tax returns.

Cash and cash equivalents for the purpose of reporting cash flows include cash and a money market account.

NOTE 3 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, paragraph (a)(3), which requires the maintenance of minimum net capital and requires that the ratio shall not exceed 15 to 1. On November 24, 1992, the Securities and Exchange Commission (SEC) adopted significant amendments to the Net Capital Rule, Rule 15c3-1. The adopted amendments increased the required minimum net capital to \$5,000.

At December 15, 2003, the Company had net capital of \$60,471 which was \$55,471 in excess of its required net capital of \$5,000.

NOTE 4 - RESERVE REQUIREMENTS

The Company is exempt from the reserve requirements of the Securities and Exchange Commission, pursuant to paragraph (K)(l) of SEC Rule 15c3-3.

NOTE 5 - REGISTRATION AS A BROKER DEALER

On December 15, 2003 the company filed form BDW to withdraw its registration as a Broker Dealer.

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## SUPPLEMENTARY INFORMATION

GOLDEN FINANCIAL SERVICES, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 15, 2003

NET CAPITAL		
Total Stockholders' equity		\$ 84,316
Less: Non-allowable assets:		
Certain receivables	\$ 1,180	
NASDAQ Warrants	<u>20,100</u>	<u>21,280</u>
NET CAPITAL BEFORE HAIRCUTS		\$ 63,036
Haircuts		<u>2,565</u>
NET CAPITAL		<u>\$ 60,471</u>
AGGREGATE INDEBTEDNESS		
Total aggregate indebtedness		<u>\$ 1,354</u>
COMPUTATION OF BASIC CAPITAL REQUIREMENT		
Minimum net capital required		<u>\$ 90</u>
Minimum dollar net capital requirement of reporting broker-dealer pursuant to paragraph (a)(3) under rule 15c3-1		<u>\$ 5,000</u>
Excess net capital		<u>\$ 55,471</u>
Excess net capital at 1000%		<u>\$ 60,336</u>
Ratio: Aggregate indebtedness to net capital		<u>.016</u>
RECONCILIATION WITH COMPANY'S COMPUTATION		
(included in Part II of Form X-17A-5 as of December 15, 2002)		
Net capital, as reported in Company's Part II (unaudited) Focus report.		\$ 58,676
Net capital per above		<u>60,471</u>
Difference		<u>\$ 1,795</u>

The difference is based on minor changes in expenses payable and commissions receivable determined after the quarterly focus report was filed.

**PAUL GAYNES**

CERTIFIED PUBLIC ACCOUNTANT

54 SUNNYSIDE BOULEVARD, PLAINVIEW, NEW YORK 11803  
516/349-1331

To the Officers and Directors of  
Golden Financial Services, Inc.  
Long Beach, New York

Gentlemen

In planning and performing my audit of the financial statements of Golden Financial Services, Inc. for the year ended December 15, 2003, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5 (g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Golden Financial Services, Inc. that I considered relevant to the objectives stated in rule 17a-5(g)1) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital rule under rule 17-a-3(ii) and the reserve required by rule 15-c(e);(2) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13; (3) in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining internal control structures and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commissions above mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's financial statements in conformity with generally accepted accounting principles.

Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph

Because of inherent limitations in any internal control structure of the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operations may deteriorate.